MEMORANDUM FOR DISTRIBUTION

FROM: ELIZABETH E. SMEDLEY
ACTING CHIEF FINANCIAL OFFICER

SUBJECT: Financial Statements Reporting and Accounting for Contractor Pension Obligations - FY 1997 Pension Information Request

In the Department's continuing efforts to meet the requirements of the Government Management Reform Act of 1994 to prepare Departmentwide audited financial statements, we will continue to follow the requirements of Financial Accounting Standards Board (FASB), Statement No. 87, "Employers' Accounting for Pensions," of December 1985, for reporting and accounting for contractor pension obligations. In this regard, the requirements contained in the attached "Department of Energy Pension Benefit Plans, Fiscal Year 1997 Information Request," are applicable to any DOE contractor, whether or not an M&O, for which the Department has a continuing pension obligation. The completed information requests will be used in the development of pension accrual estimates and the data will be reviewed and compiled by Headquarters with the assistance of our contractual actuarial support in the development of yearend consolidated Departmental disclosures. **A copy of the request and diskette should be forwarded to applicable contractors immediately to allow sufficient time to complete the required reporting schedules.**

The FY 1997 Information Request has been modified from the FY 1996 request to clarify areas where contractors experienced the most difficulty in completing the requirements and provides, as an attachment to the request, applicable individual contractor disclosure sheets, "9/30/96 Disclosure Information under FAS Statement No. 87," which contain information needed for the completion of Table A-1 and Table A-2 of the FY 1997 Information Request. Also, the required standardized assumptions have been reviewed and updated as needed (e.g., **required discount rate selected is 7.75% and use of the 1983 Group Annuity Mortality Table for healthy mortality is required**) and instructions are included on the treatment of the unrecognized gains/losses as well as the treatment of settlements and curtailments.

As required in last year's request, the pension estimates must be developed by the contractors through the use of qualified actuarial support. Two (2) hard copies of the completed submissions should be forwarded to the Office of Financial Policy (CR-20) and one (1) hard copy to Headquarters actuarial support, Jeff Rose, Buck Consultants, Inc., 202 West Berry Street, Suite 700, Fort Wayne, IN 46802, by June 30, 1997. A diskette containing the attached reporting schedules and standardized assumptions (using Lotus 1-2-3 and WordPerfect 5.1 formats) has also been attached. One completed copy of the diskette must be included with contractor submissions to CR-20 and to Buck Consultants, Inc. Any significant deviation to the information request requirements must be justified in writing and submitted to CR-20 for concurrence prior to processing the valuations. It should be noted that we intend to change the formats to MSWord and Excel for future information requests beginning in FY 1998. As requested in this year's information request, contractors should indicate in their response whether or not this presents a hardship.

In addition to the completion of the estimates, as indicated in the Information Request, the submissions should include a description of any plan amendments (i.e., changes in the existing terms of the pension plan) as well as cost impact data connected with such amendments.

Procedures established by the Office of Departmental Accounting and Financial Systems Development shall be followed for recording the pension liability or asset. It should also be noted that adjustments to the accrual estimates may be required as additional information becomes available by yearend (e.g., updated asset information on Table A-6 required by August 29, 1997).

Please forward the name, phone number, and fax number of a point of contact to the Office of Financial Policy by March 14, 1997. If you or your staff should have any questions concerning this memorandum, please contact Robert Myers or Michael Lynch of my staff on (202) 586-8609 or (202) 586-6894, respectively.

Attachments

DEPARTMENT OF ENERGY
PENSION BENEFIT PLANS

FISCAL YEAR 1997
INFORMATION REQUEST

RESPONSE REQUIRED
BY JUNE 30, 1997

TABLE OF CONTENTS

The DOE has adopted Financial Accounting Standard No. 87 (FAS 87) for reporting its pension obligations on its financial statements beginning in fiscal year 1996. The following charts and tables will comprise your response to the information request for pension benefits for the October 1, 1996, through September 30, 1997, fiscal year. All pension benefits provided to retirees that would fall under the requirements of FAS 87 should be valued, <u>under both qualified and nonqualified plans</u>. If more than one plan is sponsored, a separate set of the following tables and charts must be completed for each plan. You may not modify these tables unless absolutely necessary. The contractor and plan name must appear on each table and chart.

<u>MEASUREMENT DATE</u>

The Department of Energy has elected an October 1st measurement date. Therefore, the actuarial valuation should be performed as of October 1, 1996. (See the section below on demographic data for instructions if you do not usually collect data as of this measurement date.) The information provided by the valuation will determine the annual accounting expense for the fiscal year October 1, 1996, through September 30, 1997.

Please make sure your September 30, 1996, (Accrued)/Prepaid Pension Cost account balance equals the entry recorded by the Department of Energy. A copy of the September 30, 1996, disclosure exhibit is attached.

<u>AMOUNTS TO BE RECORDED AS A NONFUND LIABILITY OR ASSET</u>

When the valuation has been completed and reviewed by the DOE, you will record the amount on line D.5 "Estimated amount to be recorded as a nonfund liability (or asset, if negative) for fiscal year 1997," of Table A-1 in the appropriate nonfund liability or asset account in accordance with instructions provided by the DOE. The amount calculated will be an estimate pending the availability of the actual cash contributions for the period 10/1/96 - 9/30/97, or other additional information required at year end.

DEMOGRAPHIC DATA

You should already have demographic data available for the actuarial valuation to determine your minimum required contribution under ERISA. The DOE does not want you to incur the additional cost of collecting data as of the measurement date as well, if it is different than your valuation date for ERISA purposes. Instead, the actuary should use the demographic data as of the ERISA valuation date and adjust it to the measurement date using some reasonable method. You must provide a description of your method for adjusting your demographic data. Alternatively, the valuation for FAS 87 can be run as of the ERISA valuation date and adjusted to the measurement date for benefits accrued, benefits paid, interest and any other significant items. **If any events that occurred during the adjustment period between the two dates will have a significant impact on the FAS 87 results, an adjustment must be reflected and a written description of the events and the adjustments must be submitted along with your response to this information request.**

There should be an internal control structure in place to ensure that the census data used to perform the FAS 87 calculation ties back to the payroll census data. Significant errors and/or lack of controls to validate the FAS 87 data could result in reliance concerns during the audit. Attach to your response to this information request a brief description of your processes to control the demographic data. Indicate whether an external accounting firm has independently audited the data and indicate the date of the last such audit and the results of the audit.

ACTUARIAL ASSUMPTIONS

The tables in Section C provide examples of different types of actuarial assumptions that may be used in your valuation. Please note that you may not need to use all the different types of actuarial assumptions, or that there may be additional actuarial assumptions which you will use because of your particular situation. However, in order to provide some consistency between the various DOE contractors, you are required to use certain actuarial assumptions. If you are in disagreement with any of the required assumptions, please contact DOE so that your concerns may be addressed. In most cases you will use your ERISA valuation actuarial assumptions for demographic assumptions such as termination of employment, incidence of disability, disability mortality, etc. based on your actuary’s best estimate of future plan experience. **This year, you are required to use the 1983**

Group Annuity Mortality Table for healthy mortality.

If the plan provides a lump sum payment option at retirement, you must describe if and how you are recognizing the difference between the plan's definition of actuarial equivalency for determining lump sums and the 7.75% discount rate.

If the contractor is also submitting a response to the "Postretirement Benefit Plans Fiscal Year 1997 Information Request," the demographic assumptions should be consistent with one another.

The discount rate that is required to be used is 7.75%. The expected long-term rate of return on plan assets, the salary scale and any other economic assumptions should be consistent with an expected long-term inflation rate of 3.5% for the entire U.S. economy. In all other respects, the rates should be based on your actuary's best estimate of future plan experience. It is permissible to adjust this inflation rate up or down to reflect regional or industry rates provided the rate is consistent with a 3.5% rate for the nation as a whole and is a more reasonable estimate of the assumption being considered. **In your response to this information request, please provide a short description of the method used to develop each of the assumptions that are based on the inflation rate.**

SAMPLE LIFE TEST

It will not be required that you submit sample life tests with your response to the information request, in general, this year. They may be requested at a later date on an individual Contractor basis. They may be required in a future year to be determined.

REPLACEMENT ACTUARY

In any year the valuation will first be completed by a different actuarial firm, it is required that the replacement actuary obtain a copy of the prior year's data and valuation report and attempt to reproduce the prior year's valuation results. If the ABO, PBO and Net Periodic Pension Cost recalculated by the replacement actuary all differ by less than 5% from the prior actuary's results, the methods and assumptions of the actuaries will be assumed to be consistent. State this finding in the response to the information request.

If any differ by more than 5%, the differences in the two values must be reconciled to within 5%. Attach an explanation of the reconciliation process and the magnitude and reason(s) for the difference. Describe which methods and assumptions will be used for valuations done by the replacement actuary.

VALUATION REPORT

The required information described above and the completed following tables and charts should be submitted to the Department of Energy as soon as possible, but no later than June 30, 1997. The information submitted in the valuation reports and any additional information required at year end will be used as the basis for accruing a FAS 87 asset/liability and the development of consolidated Departmental footnote disclosures with the assistance of Headquarters actuarial support. It is imperative that you discuss any concerns or ask any questions you may have as you go through your valuation so that your work can be performed efficiently and you can provide DOE with the required information.

You must also submit a copy of the most recent valuation used to determine the minimum required contribution and the maximum tax deductible contribution under ERISA along with the other information requested.

The current exhibits are in WordPerfect and Lotus. The 1998 information request will be in MSWord and Excel. If this presents a hardship to you, please indicate in this year's information response that you are unable to use MSWord and Excel in 1998.

PLAN CHANGES

If there have been any changes in plan benefits since the last valuation, you should describe the changes and the accounting treatment in accordance with FAS 87. An example of the information to include for a plan improvement is a description of the plan change, the amount of the increase in the unrecognized prior service cost and its amortization period and payment.

ADDITIONAL INFORMATION REQUIRED AT YEAR END

Since your response to the information request is due well before year end, there are several other pieces of information that you must provide at year end. You must:

- Complete the asset information on Table A-6;
- Provide a description of any settlements or curtailments not previously reported and the related financial information as required by FAS 88 (see Section D); and
- Describe any other material event that may affect the financial results with regard to pensions.

Please provide the information as described above by August 29, 1997. Since final information for the year ending September 30, 1997, will not be available until September 30, 1997, or later, you will need to estimate the results. Do <u>not</u> merely provide actual information as of an earlier date. To make the estimate, use actual information as of the most recent date available (for example, July 31, 1997) and project the information to September 30, 1997, on a reasonable basis. For example, using the expected long-term rate of return on assets to estimate earnings for August and September will be considered reasonable. You must provide a description of how you determined your estimated assets as of September 30, 1997.

SECTION A

VALUATION RESULTS

The following tables provide the framework to report the valuation results for the FAS 87 pension expense. The Department of Energy's fiscal year runs from October 1, to September 30. DOE has chosen a measurement date of October 1. Therefore, the valuation date is October 1, 1996. Information should be provided on pension benefits only, both qualified and nonqualified. Information on postretirement benefits other than pensions will be collected in a separate request. The following exhibits are set up for one pension plan. If additional plans are applicable, information for them should be provided in the same format in separate exhibits. The contractor and plan name must be included on each exhibit.

The tables of numerical information have been left blank. The tables describing the plan's provisions and actuarial assumptions in the following sections have been completed as an example, with a hypothetical benefit plan and actuarial assumptions. Please see the Introduction for a description of the required actuarial assumptions.

Table A-1 summarizes the results of the October 1, 1996, valuation. The information included is the development of the funded status, the Net Periodic Pension Cost, the Prepaid (Accrued) Pension Cost, participant counts and value of assets. If any settlements or curtailments occurred during the year, please describe and provide any additional valuation results as required in Section D. A market-related value of assets may be used at your discretion, as long as it complies with the requirements of FAS 87 and is a reasonable method for your particular situation. If one is used, include a written description of the method and a schedule showing the calculation of the value as of October 1, 1996.

Table A-2 provides a detailed breakdown of the unrecognized transition obligation/asset, prior service costs, and gains or losses. The actuarial gains and losses resulting from changes in the discount rate, as well as all other unrecognized gains and losses, should only be amortized to the extent they exceed the 10% corridor as provided in FAS 87. The transition obligation/ asset as of October 1, 1995, should be amortized over the average future service as of October 1, 1995 or 15 years, if greater. All amounts to be amortized, including the amortization of prior service costs, should be amortized over average future service on a straight line basis in accordance with FAS 87.

Table A-3 provides a 75 year benefit payment projection. You may use a longer payment projection, but not a shorter one. On the first line of the Table, provide the present value at 7.75% of the payments. The present value of the payout projection should equal the present value of benefits. That is, the payouts are projected benefits, not prorated accrued benefits, that would present value to the PBO or ABO.

SECTION A

VALUATION RESULTS (continued)

Table A-4 provides age, service and compensation distributions for actives by sex and age distributions for retirees and surviving spouses by sex.

Table A-5 provides information concerning plan assets under FAS 87 at the beginning of the Fiscal Year. The top section of the chart is for actual receipts and disbursements for the past year. The top section is required this year. The bottom section requests a summary of the assets by major asset class. When completing the chart, it may be modified, if necessary, to fit your particular situation. If the plan does not have assets meeting the requirements of FAS 87 (for example, for certain nonqualified plans), the chart should be marked as not applicable.

Table A-6 provides information concerning plan assets at the end of the Fiscal Year. This chart will not be submitted with your initial response to the information request. **Instead it should be submitted by August 29, 1997.** Estimates will be necessary since final information for the year ending September 30, 1997, will not be available until September 30, 1997, or later. To make the estimate, use actual information as of the most recent date available (for example July 31, 1997) and project the information to September 30, 1997, on a reasonable basis. For example, using the expected long-term rate of return on assets to estimate earnings for August and September will be considered reasonable. You must provide a description of how you determined your estimated assets as of September 30, 1997.

SECTION B

SUMMARY OF PLAN PROVISIONS

The following chart has been completed as an example. Please complete it for your particular situation. Describe any plan changes that have been approved and provide their effective date. Also provide details of any future changes that have been communicated to employees (e.g. changes in benefit levels). Your chart does not have to be in the exact format as the one on the following pages, but the same types of information must be provided. The contractor's name and plan name must be included on each exhibit.

Contractor Name:
Plan Name:

SECTION B

SUMMARY OF PLAN PROVISIONS (continued)

Effective Date:	January 1, 1960, last amended effective January 1, 1992.
Plan Year:	January 1 through December 31.
Eligibility:	All employees of the company who work 1,000 hours or more per year and who are not covered by a collective bargaining agreement are eligible on the first day of the month on or after age 21 and one year of service.
Compensation:	W-2 for the calendar year.
Final Average Compensation:	Highest consecutive five years out of the last ten years.
Normal Retirement Date:	The first day of the month on or after age 65.
Normal and Deferred Retirement Benefit:	1.2% times years of service at retirement date up to 30 years. Not less than the benefit accrued under the prior plan as of December 31, 1988.
Early Retirement Date:	The first day of any month on or after age 55 with 5 years of service.
Early Retirement Benefit:	1.2% times years of service at retirement date up to 30 years. Not less than the benefit accrued under the prior plan as of December 31, 1988. Payments are reduced by 1/15 for each of the first five years payments begin before Normal Retirement Date and 1/30 for each of the next five years.
Disability Retirement Date:	The first day of any month on or after 5 years of service.
Disability Retirement Benefit:	Same as the Early Retirement Benefit assuming service continues to date of payment and compensation remains the same as compensation at the time of disability.
Vesting:	5 years of service (1,000 hours).
Termination Benefit:	Same as the Early Retirement Benefit.

Contractor Name:
Plan Name:

SECTION B

Pre-retirement Spouse's Benefit:	If a vested participant dies before Early Retirement Date, the surviving spouse will receive a reduced benefit payable on the Early Retirement Date as if the participant quit on the date of death, survived until Early Retirement Date and elected the Joint and 50% Survivor Annuity. If a vested participant dies on or after Early Retirement Date and before payments have commenced, the surviving spouse will receive a reduced benefit as if the participant quit on the date of death and elected the Joint and 50% Survivor Annuity.
Normal Form of Benefit:	Life Annuity if unmarried. A reduced Joint and 50% Survivor Annuity if married.
Optional Forms of Benefit:	Annuity for 5 or 10 years Certain and Continuous; Joint and Survivor Annuity for 50%, 75% or 100%; Life Annuity; Social Security Level Income; and Lump sum (under $3,500 only).
Employee Contributions:	No employee contributions are required.
Assumptions for Lump Sum Cashouts:	The average rate on 30-year Treasuries for the month of December in the year before payment and the 1983 Group Annuity Mortality Table (50% male).

SECTION C

ACTUARIAL ASSUMPTIONS AND METHODS

The actuarial assumptions are used to estimate the number of employees who reach retirement, the amount of the annual pension benefit per retiree, the period of time during which the benefits will be paid, and to discount these future payments for the time value of money.

If the contractor is also submitting a response to the "Postretirement Benefit Plans Fiscal Year 1997 Information Request," the demographic assumptions should be consistent with one another.

The following charts have been completed as an example. Please complete them for your particular situation. <u>The required actuarial assumptions are described in the Introduction.</u>

Please describe any assumption changes made since the last valuation and provide an estimate of their effect on the ABO, the PBO, the Service Cost and the Expected Benefit Payouts.

The contractor's name and plan name should be included on each exhibit.

Contractor Name:
Plan Name:

SECTION C

ACTUARIAL ASSUMPTIONS AND METHODS (continued)

ACTUARIAL ASSUMPTIONS

ECONOMIC ASSUMPTIONS

Assumption	Purpose/Issue	Value Used
Discount Rate	Used to discount future payments to a present value, allowing for the time value of money.	7.75% (Required).
Salary Scale	Used to project current pay to determine the amount of the Pension Benefit.	The expected long-term salary increase assuming long-term inflation is 3.5% per year. Adjustments are permitted for regional and industry differences if reasonable and applicable. For example, assuming 1.5% for merit and productivity, the salary scale is 5%.
Expected Long-Term Rate of Return on Plan Assets	Used to compute the expected return on plan assets	Rate reflecting the average rate of earnings expected on plan assets consistent with the long-term inflation rate of 3.5% per year. Adjustments are permitted for regional and industry differences if reasonable and applicable. For example, assuming 5% risk premium for the actual asset mix, the rate is 8.5%.
Social Security Wage Base Increases	Used to compute the projected Pension Benefit if based on the Wage Base or Covered Compensation.	The expected long-term wage base increase assuming long-term inflation is 3.5% per year. For example, assuming 1% for wage increases over inflation, the Wage Base rate is 4.5%.

Contractor Name:
Plan Name:

SECTION C

ACTUARIAL ASSUMPTIONS AND METHODS (continued)

ACTUARIAL ASSUMPTIONS

ECONOMIC ASSUMPTIONS (continued)

Assumption	Purpose/Issue	Value Used
Cost of Living Increases	Used to compute the increase in Social Security Benefits, the increase in Pension Benefits, the increase in IRC Section 415 limits and/or the increase in IRC Section 401(a)(17) Compensation Limits, as applicable.	The expected long-term inflation rate assuming long-term inflation is 3.5% per year for the U.S. economy as a whole.
Expenses	Explicit recognition of expenses such as legal, actuarial, administrative, PBGC premiums, etc. that are paid from plan assets.	$40,000 is added to the service cost.

Contractor Name:
Plan Name:

SECTION C

ACTUARIAL ASSUMPTIONS AND METHODS (continued)

ACTUARIAL ASSUMPTIONS

DEMOGRAPHIC ASSUMPTIONS

Assumption	Purpose/Issue	Value Used
Withdrawal	Used to determine the number of employees who leave before becoming eligible for Pension Benefits.	Rates used in the ERISA valuation. (Rates shown on the following chart.)
Mortality	Used to determine the number of employees and disabled individuals who die before retirement and the life expectancy of retirees.	Healthy Lives: 1983 GAM. Disabled Individuals: Rates used in the ERISA valuation. For example, 1965 Railroad Retired Board Totally Disabled Annuitants Mortality Table up to age 64. A five year setback is used for females. A disabled individual's status is changed to retiree when he/she reaches age 65. The mortality rates for these individuals after age 65 are the same as healthy lives.
Disability	Used to determine the number of employees who become disabled.	Rates used in the ERISA valuation. For example, Social Security Study, gender and age specific.
Retirement	Used to determine when employees retire after becoming eligible.	Rates used in the ERISA valuation. (Rates shown on the following chart.)
Proportion Married	Used to reflect actual marital status at retirement (may be different from current).	Rates used in the ERISA valuation. For example, 80% of active male employees and 40% of active female employees are assumed to be married at retirement.
Husband/Wife Age Difference	Actual data can be collected for current retirees.	Rates in the ERISA valuation. For example, husbands 3 years older than wives.

Contractor Name: Plan Name:

SECTION C

ACTUARIAL ASSUMPTIONS AND METHODS (continued)

ACTUARIAL ASSUMPTIONS

Age	Retirement Unisex	Company A Withdrawal Unisex	Company B Withdrawal Unisex	Healthy Mortality		Disabled Mortality Ultimate[1]	Disability Incidence		Salary Increase Unisex
	%	%	%	Male %	Female %	%	Male %	Female %	%
25	-	7.50	11.6242	0.049	0.027	4.396	0.132	0.071	5.00
35	-	4.50	10.5540	0.091	0.050	4.406	0.220	0.190	5.00
40	-	3.75	9.3957	0.137	0.072	4.412	0.314	0.280	5.00
45	-	3.00	7.5447	0.247	0.112	4.481	0.476	0.412	5.00
50	-	2.25	4.8333	0.432	0.179	4.864	0.774	0.660	5.00
51	-	1.80	4.1842	0.476	0.195	5.008	0.861	0.730	5.00
52	-	1.35	3.5271	0.520	0.212	5.178	0.966	0.809	5.00
53	-	0.90	2.8834	0.566	0.232	5.384	1.095	0.908	5.00
54	-	0.45	2.2762	0.613	0.254	5.614	1.245	1.026	5.00
55	10.0	-	-	0.662	0.280	5.923	1.407	1.147	5.00
56	2.0	-	-	0.714	0.310	6.137	1.573	1.255	5.00
57	2.0	-	-	0.772	0.344	6.411	1.734	1.335	5.00
58	2.0	-	-	0.838	0.382	6.691	1.889	1.350	5.00
59	2.0	-	-	0.916	0.424	6.969	2.046	1.366	5.00
60	5.0	-	-	1.010	0.470	7.252	2.202	1.381	5.00
61	5.0	-	-	1.110	0.521	7.536	2.360	1.397	5.00
62	30.0	-	-	1.240	0.578	7.814	2.519	1.412	5.00
63	10.0	-	-	1.370	0.634	8.097	2.675	1.466	5.00
64	10.0	-	-	1.560	0.706	8.378	2.829	1.335	5.00
65	100.0	-	-	1.758	0.782	[2]	2.986	1.614	5.00

1 Five year set back for females, i.e., a female aged 30 has a disability mortality incidence of a 25 year old male.
2 From age 65, same as healthy mortality.

Contractor Name:
Plan Name:

SECTION C

ACTUARIAL ASSUMPTIONS AND METHODS (continued)

ACTUARIAL METHODS

MARKET RELATED VALUE OF ASSETS

You are permitted to use a market related value of assets to determine the expected return on assets component of the Net Periodic Pension Cost. The method must comply with the requirements of FAS 87, it must be reasonable for your particular situation, and you must provide a written description of the method used along with a schedule showing the calculation of the amount as of October 1, 1996.

Contractor Name:
Plan Name:

SECTION D

ADDITIONAL DISCLOSURE INFORMATION

To assist with the preparation of an accurate and timely FAS 87 disclosure, please complete the following information even if it is provided elsewhere in your response:

PLAN PROVISIONS

Under the main benefit formula in the plan, indicate which type of benefits are provided by the pension plan:

______ Final Average Pay Formula
______ Career Average Pay Formula
______ Cash Balance Formula
______ Dollar per Month of Service Formula
______ Pension Equity Formula
______ Floor Plan Formula
______ Other Formula (describe):____
______ Other Special Features (describe):_______________________________________

For the pension plan, indicate which type of employees are covered:

______ Nonunion employees
______ Union employees
______ Both of the above
______ Other (describe):____

Describe any commitment to increase benefits that is not part of the written plan, but is part of the substantive plan and is thus included in the FAS 87 valuation as required:

____

____

Contractor Name:
Plan Name:

SECTION D

ADDITIONAL DISCLOSURE INFORMATION (continued)

NONBENEFIT LIABILITIES

Describe any significant nonbenefit liabilities of the plan:

SETTLEMENTS AND CURTAILMENTS

If there have been any settlements or curtailments during the past year (or if one is expected to occur before October 1, 1997), please describe in a separate attachment and provide the financial information required by FAS 88. An exhibit should be provided as described in the illustrations in Appendix B of FAS 88. Curtailments include, but are not limited to, plant closings, discontinuing a segment of the business, layoffs, early retirement windows, benefit cutbacks and reductions in the future accrual of benefits. Settlements include, but are not limited to, lump sum payouts to participants and purchases of nonparticipating annuity contracts to cover some or all of the benefits.

Circle one: No settlements or curtailments Description attached

After you submit your response, if a settlement or curtailment occurs, please notify the DOE immediately and then submit a description of the event and the financial information required by FAS 88 as soon as possible.

OTHER

If applicable, describe the amounts and types of securities of the employer and related parties included in plan assets and the approximate amount of future annual benefits of plan participants covered by insurance contracts issued by the employer and related parties:

If applicable, describe any other significant matters which may affect the comparability of the information provided: